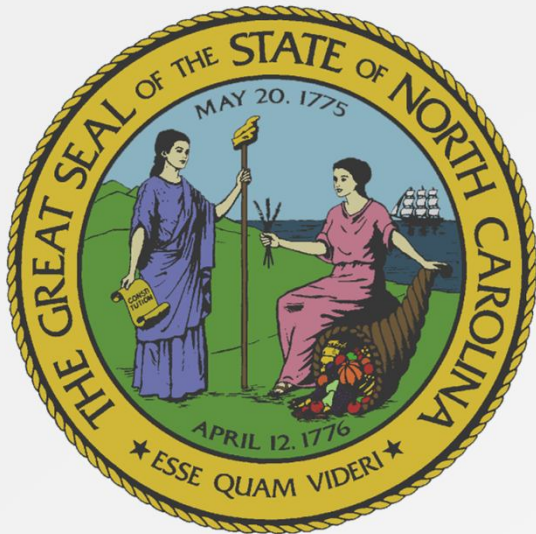




Office of State Budget and Management  
*Balancing Needs - Improving Government*



# **FY 2011-13 Governor Perdue's Recommended Budget for Natural & Economic Resources**

*Prepared by:*

*Jennifer Hoffmann, Asst State Budget Officer*

*Office of State Budget and Management*

*February 22, 2011*



# Agenda

- I. NER Budget Overview
- II. Summary of FY 2011-13 Budget
- III. Major Recommendations by Department
- IV. Questions



# NER: Budget Overview

	<i>2011-12 Base Budget</i>	<i>2011-12 Recommended</i>	<i>% Change</i>	<i>2012-13 Base Budget</i>	<i>2012-13 Recommended</i>	<i>% Change</i>
<b>Natural and Economic Resources (NER)<sup>1</sup></b>						
Requirements	\$713	\$642	-10%	\$713	\$621	-13%
Receipts	\$233	\$235	0.9%	\$233	\$235	0.9%
Appropriations	\$480	\$407	-15%	\$480	\$386	-20%

*All figures in millions of  
dollars.*

*1. Includes:*

*Commerce*

*Commerce - State Aid (Biotech, REDC and other pass-throughs)*

*Agriculture and Consumer Services*

*Labor*

*Environment and Natural Resources*

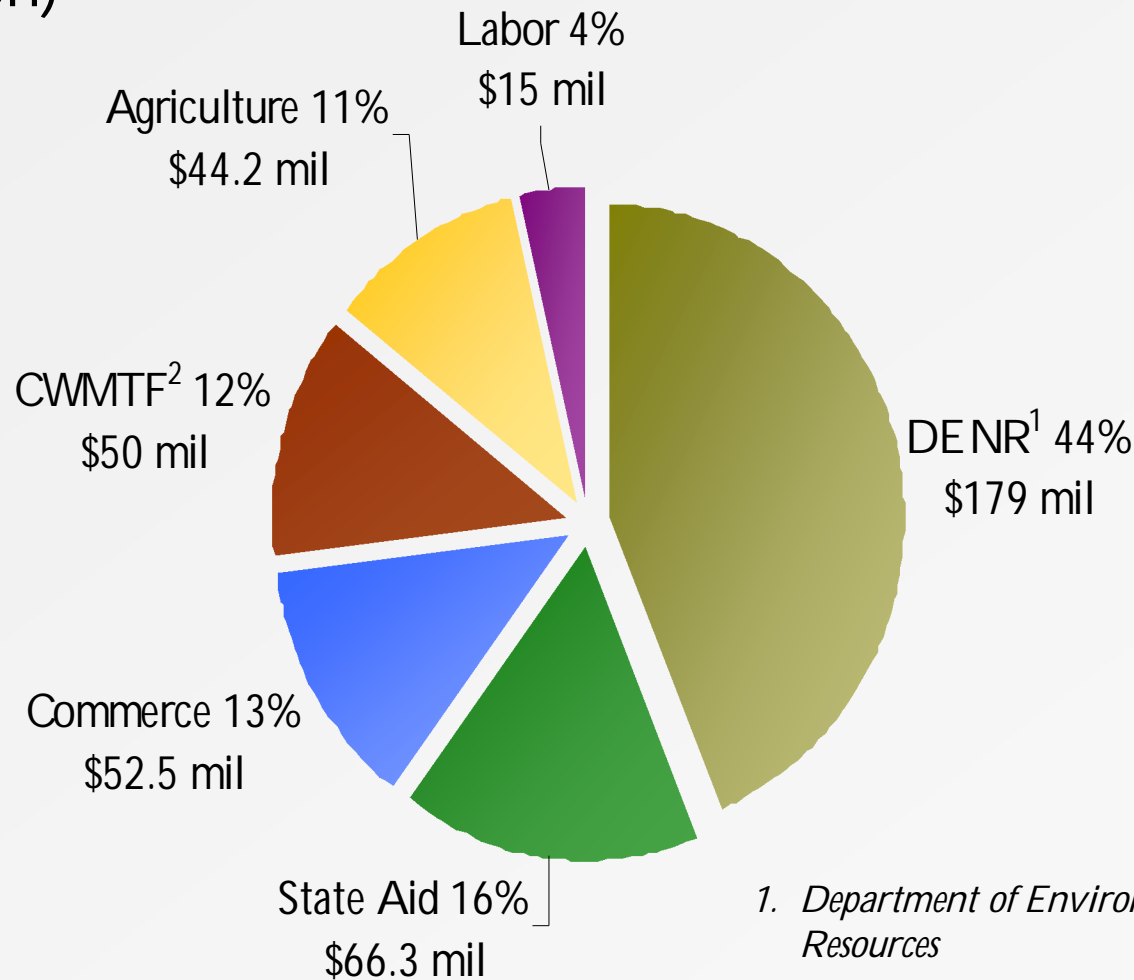
*Clean Water Management Trust Fund*



# Allocation for Natural and Economic

Resources

Allocation of FY 2011-12 GF Appropriation for NER (\$407.1 million)



1. Department of Environment and Natural Resources

2. North Carolina Clean Water Management Trust Fund<sub>4</sub>



# Reductions Highlights: NER

- Total Reductions:**

FY 2011-12 - \$107.3 million

FY 2012-13 - \$109.9 million

	<i>FY 2011-12 Reduction</i>	<i>% change from base</i>	<i>FY 2012-13 Reduction</i>	<i>% change from base</i>
Commerce	\$4.9	-13%	\$6.4	-16%
Com-State Aid	\$7.3	-10%	\$7.3	-10%
Agriculture*	\$17.6	-29%	\$17.9	-29%
Labor	\$1.8	-11%	\$1.9	-12%
DENR	\$25.6	-14%	\$26.4	-14%
CWMTF	\$50.0	-50%	\$50.0	-50%

\* Includes transfers of Research Stations and Farmland Preservation Trust Fund

*All figures in millions of dollars.*





# Commerce Budget

## Total Commerce Budget:

	Recommend ed Base Budget	Total Reduction s	Total Expansion	Recommend ed Appropriation
FY 11-12	38,907,381	(4,923,246 )	18,500,000	52,484,135
FY 12-13	38,907,381	(6,382,167 )	0	32,525,214



# Reduction Highlights: Commerce

## Department of Commerce (pages 218-219)

- Eliminates Three Programs
  - Industrial Development Fund (\$320,000)
  - Oregon Inlet Maintenance Funds (\$248,327)
  - State Energy Funds to Universities (\$2.69 million)
- Closes Welcome Centers two days/week (\$600,000) and privatizes all Centers in second year (\$1.9 million)
- Budgets Over-Realized Industrial Commission Receipts (\$736,861)
- Reduce Funds to Trade Shows (\$150,000)



# Reduction Highlights: Commerce – State Aid

## Department of Commerce – State Aid (page 224)

- Reduces Funds to 13 Non-State Entities by 10% (\$7.3 million)

– Biotechnology Center	\$ 1,950,190	
– Rural Center	\$ 2,264,081	
– Regional Commissions	\$ 250,000	
– Biofuels Center	\$ 500,000	
– Inst of Regenerative Medicine	\$ 1,000,000	
– High Point Furniture Market	\$	80,648
– Minority Support Center	\$ 312,873	
– Assoc. of Community Devel. Corps.	\$	98,068
– Community Develop Initiative	\$ 468,274	
– Land Loss Prevention Project	\$ 70,747	
– Institute of Minority Econ Devel	\$ 251,741	
– E-NC	\$ 44,203	
– Councils of Governments	\$ 40,375	





# Agriculture Budget

## Total Agriculture and Consumer Services Budget:

	Recommendende d Base Budget	Total Reductions	Total Expansion	Recom'd Appropriatio n
FY 11-12	61,754,014	(17,574,286 )	0	44,179,728
FY 12-13	61,754,014	(17,910,174 )	0	43,843,840

\$12 million of DACS's reductions are related to transfers of the Research Stations and Farmland Preservation Trust Fund and associated reductions to these programs due to transfers. Reduction to DACS's remaining budget is 11% or \$5.4 million.



# Reduction Highlights: DACS

## Dept of Agriculture and Consumer Services (pages 230-1)

- Transfer **Research Stations & Farms** to NCSU (\$10.2 million)
  - Reduce by \$1.5 million FY 2011-12; \$3 million FY 2012-13
  - Transfer \$8.7 million FY 2011-12; \$7.1 million 2012-13
- Transfer **Farmland Preservation Trust Fund** (\$2 million)
  - Reduce by \$500,000
  - Transfer \$1.25 million to DENR for conservation easements
  - Transfer \$250,000 to Rural Center for Agricultural Development Projects
- 10% Management Flexibility Cut (\$5.2 million)



# Labor Budget

## Total Labor Budget:

	Recommend ed Base Budget	Total Reduction s	Total Expansion	Recommend ed Appropriation
FY 11-12	38,907,381	(1,820,734 )	0	15,021,945
FY 12-13	16,842,679	(1,931,647 )	0	14,911,032



# Reduction Highlights: Labor

## Department of Labor (pages 235-236)

- Eliminates Positions and Salary Reserve
  - OSH (11 FTE and \$600,000)
  - Mine and Quarry (2 positions and \$143,000)
  - Wage and Hour (3 positions and \$214,000)
  - Apprenticeship (\$81,000)
- Reduces Operating Budgets Department-wide (\$384,000)
- Budgets Additional Receipts (\$323,000)



# DENR Budget

## Dept of Environment and Natural Resources Budget:

	Recommend ed Base Budget	Total Reductions	Total Expansion	Recom'd Appropriatio n
FY 11-12	188,972,401	(25,555,695 )	15,723,200	179,139,906
FY 12-13	188,972,401	(26,382,953 )	15,723,200	178,312,648





# Reduction Highlights: DENR

## Dept of Environment and Natural Resources (p 240-250)

- Eliminates 8 Programs (\$3.1 million)
  - Division of Environmental Health (\$417K) - WaDE; Mosquito Control Aid Funds; On-Site Quality Assurance
  - Division of Marine Fisheries (\$2 mil) - Oyster Sanctuary; Shellfish Mapping
  - Division of Soil and Water Conservation (\$297K)- Cooperative Soil Survey; Animal Waste Mgmt Systems Pilot
  - Division of Water Quality (\$344K) - Well Drillers Program



# Reduction Highlights: DENR con't

## Dept of Environment and Natural Resources

- Major Program Reductions
  - Division of Forestry (\$5.8 mil) - 14% reduction to operating budget including 22 filled positions
  - Division of Marine Fisheries (\$575K) - Shellfish Rehabilitation Program
  - Division of Soil and Water Conservation (\$1.2 mil) – Agricultural Cost Share Program
  - Division of Water Quality (\$1.67 mil) – 11.5% reduction to operating budget including 22.5 FTE



# Reduction Highlights: DENR con't

## Department of Environment and Natural Resources

- Closures (\$3.7 million)
  - State Parks two days/week
  - Two Educational State Forests (Rendezvous and Turnbull Creek)
  - Museum of Forestry – delays reopening for two years
  - Marine Fisheries' Columbia office
- Position Reserve (\$418,414 and 68 FTEs)
  - Permitting and regulatory positions
  - Middle management positions
- Zoo (\$1.8 million)
  - Reduce operating funds (\$800K) and budget additional receipts (\$400K)
  - Outsource the operation of gift shops (\$600K)



# CWMTF Budget

## Total Clean Water Management Trust Fund Budget:

	Recommend ed Base Budget	Total Reductions	Total Expansion	Recom'd Appropriatio n
FY 11-12	100,000,000	(50,000,000 )	0	50,000,000
FY 12-13	100,000,000	(50,000,000 )	0	50,000,000



## Increase Highlights: NER

- **Total Increases:**

FY 2011-12 - \$34.6 million

FY 2012-13 - \$16.1 million

### **Department of Commerce**

- \$10 million (nonrecurring) – One NC Fund
- \$8.5 million (nonrecurring) – Jobs Maintenance and Capital Development Program (JMAC)





## Increase Highlights: NER (cont.)

### **Commerce – State Aid**

- \$250,000 – Farmland Preservation Trust Fund's Agriculture Development Projects
- \$90,000 – Indian Economic Development Initiative

### **Department of Environment and Natural Resources**

- \$7.1 million - Drinking Water State Revolving Fund
- \$7.4 million – Clean Water State Revolving Fund
- \$1.25 million – Farmland Preservation Trust Fund's conservation easement programs



## Other Related NER Items

- Employee Retirement Incentive Program
- Merge the Department of Commerce and the Employment Security Commission
  - Reduces middle management and support staff (53 FTE) and \$251,400 in FY 11-12 and \$377,100 in FY 12-13
- Government "Reset" Initiatives
  - Centralize Human Resource Functions in Cabinet Agencies
  - Procurement Reform
- Water Resources Projects - \$4.5 million
- DENR Operating Reserves - \$2.25 million



# NER: Budget Overview

Questions?